

IN THE STATE OF MISSISSIPPI
BEFORE THE MISSISSIPPI REAL ESTATE COMMISSION

MISSISSIPPI REAL ESTATE COMMISSION

COMPLAINANT

VS.

NO. 30-1805

**CHARLOTTE A. COPELAND, BROKER;
KARLA MARTIN, SALESPERSON, AND
JOANNE ROPER, SALESPERSON**

RESPONDENTS

AGREED ORDER

This cause came before the Mississippi Real Estate Commission (sometimes hereinafter "Commission") pursuant to authority of Miss. Code Ann. §73-35-1, et seq. on a formal complaint brought against Respondents Charlotte A. Copeland, Broker, Karla Martin, Salesperson, and Joanne Roper, Salesperson. Prior to a hearing before the Commission, it was announced that an agreement was reached as to the resolution of the matters alleged and any disciplinary actions that may be imposed upon the Respondents. This agreement is for a suspension of license in lieu of further disciplinary proceedings. By entering into this Agreed Order, the signing Respondents waive their individual right to a hearing with full due process and their individual right to appeal. Having reached an agreement on this matter, the Commission issues its Findings of Fact, Conclusions, and Disciplinary Order as follows:

I.

Respondent Charlotte A. Copeland, Broker, sometimes hereinafter "Respondent" or "Copeland" is an adult resident citizen of Mississippi whose last known address of record with the Commission is 110 North Union Street, Post Office Box 1332, Natchez, Mississippi 39121. Respondent Copeland is the holder of a real estate broker's license issued by the Commission pursuant to Miss. Code Ann. §§73-35-1, *et seq.*, as amended and, as such, she is subject to the provisions, rules, regulations and statutes governing the management, sale and transfer of real estate and licensing of real estate brokers under Mississippi law. At all times relevant to this Complaint, Respondent Copeland was the principal and responsible broker for Century 21 River Cities Realty and Salespersons Karla Martin and Joanne Roper.

II.

Respondent Karla Martin, Salesperson, sometimes hereinafter "Respondent" or "Martin" is an adult resident citizen of Louisiana whose last known address of record with the Commission is 171 Bob Clayton Rd., Clayton, Louisiana, 71326 and who is licensed under Respondent Charlotte Copeland, Century 21 River Cities Realty, 110 North Union Street, Post Office Box 1332, Natchez, Mississippi 39121. Respondent Martin is the holder of a non-resident real estate salesperson's license issued by the Commission pursuant to Miss. Code Ann. §§73-35-1, *et seq.*, as amended and, as such, she is subject to the provisions, rules, regulations and statutes governing the management, sale and transfer of real estate and licensing of real estate salespersons under Mississippi law.

III.

Respondent Joanne Roper, Salesperson, sometimes hereinafter “Respondent” or “Roper” is an adult resident citizen of Mississippi whose last known address of record with the Commission is 110 North Union Street, Post Office Box 1332, Natchez, Mississippi 39121. Respondent Roper is the holder of a real estate salesperson’s license issued by the Commission pursuant to Miss. Code Ann. §§73-35-1, *et seq.*, as amended and, as such, she is subject to the provisions, rules, regulations and statutes governing the management, sale and transfer of real estate and licensing of real estate salespersons under Mississippi law.

IV.

On or about May 8, 2018, the Commission received a sworn statement of complaint from Addie Mills, sometimes hereinafter “Complainant” or “Mills.” Mills complained she had leased a property located at 21 Nottaway Trail, Natchez, Mississippi through the services of Respondent Copeland’s brokerage, Century 21 River Cities Realty. The Nottaway Trail property was an asset of the Estate of Jesus Martinez and listed for sale but authorized for rental by Order of the Chancery Court of Adams County on or about November 3, 2017. The property was shown to Mills by Respondent Joanne Roper, a salesperson with Century 21 River Cities Realty.

V.

The subject property had been vacant for a period of time before Mills leased it through Respondent Copeland's brokerage as agent for the Estate of Jesus Martinez. Mills entered into a lease for the property beginning November 11, 2017 at \$2,000.00 per month with a one (1) year term.

VI.

As a threshold complaint, Mills complained that Respondents had failed to properly inspect the property for unsafe conditions prior to leasing, including mold infestation and a natural gas leak. Mills complained she suffered health problems as a result. Additionally, Mills complained that Respondents had failed to make repairs that had been promised upon leasing the property and for problems that were discovered thereafter.

VII.

Upon receipt of Mills' sworn complaint, the Commission initiated its investigation of Mills' allegations. The Commission obtained a response and documentation from Respondent Copeland and additional documents and responses from Mills.

VIII.

Mills' complaint had a timeline detailing her issues with the condition of the property and management of same by Respondent Copeland and her brokerage. Mills complained that there were no keys available for the property upon occupancy and a doorknob was missing from the master bedroom. Further, flooring next to a hall bath was water damaged, creating a safety issue. A copy of an Addendum to the lease for the property reflected that Mills agreed to replace the locks to the house and to submit receipts for reimbursement. The Addendum reflected that the damaged flooring was to be repaired and doorknob replaced by lessor by December 11, 2017. Mills complained that these repairs were never completed. In her sworn response submitted during the Commission investigation, Respondent Copeland acknowledged that Mills' lease represented an agreement to repair the referenced doorknob and damaged hall flooring. Copeland did not deny that these promised repairs were never completed.

IX.

Mills complained that when she had gas service begin on November 14, 2017, it was discovered that there was no water heater for the master bedroom whirlpool tub, which had apparently been stolen. Mills complained that requests for air filter replacements and lightbulbs were ignored. Mills paid to have bulbs replaced in the outdoor security lights which she did not know were out until she had the electricity turned on after occupancy. In response to the Commission investigation, Respondent Copeland stated "we felt these were (Mills') responsibilities. She (Mills) had thoroughly inspected the house and had

accepted it as per item 6 in the lease.” Respondent Copeland did not address whether the status of the water heater or lights had been documented prior to leasing the property to Mills.

X.

Of considerable concern to Mills were issues with an alleged natural gas leak and mold growth in the home which Mills complained she felt were injurious to her health and safety. Mills provide a copy of an Atmos Energy “Customer Notice” dated April 19, 2018 she obtained. According to this referenced notice, a copper gas line feeding a gas light was found to be leaking. Atmos turned off the valve to the appliance and noted that the copper wiring was a code violation. In her response submitted during the Commission investigation, Respondent Copeland stated that Mills “never called about the smell of gas” but acknowledged that Mills had presented her office with a copy of the notice/service ticket from Atmos Energy. Respondent Copeland provided no explanation or evidence that the leaking gas appliance and improper piping were ever repaired.

XI.

Mills complained that “mold” in the home has caused her health problems. Mills submitted a copy of a document from her physician dated April 26, 2018 prescribing medication and which ordered/advised that Mills “avoid exposure to mold in the house.” Mills submitted pictures of alleged mold/water damage in different areas of the house. Mills complained that she informed Respondent of the issue and asked that the house be

tested for mold, but the request was denied. Mills was concerned about the presence of “black mold.” Respondent Copeland acknowledged that her lessor client refused to pay for the mold testing. Subsequently, Mills paid for the house to be tested and submitted a copy of the report to the Commission. Mills stated that she had submitted a copy of the mold report to Copeland but received no response. The report did not conclude evidence of “black mold” but did reflect a conclusion of fungal contamination and a recommendation for extensive cleaning and remediation. In her response to the Commission, Copeland stated that Mills was immediately offered alternative accommodations and assistance to find another rental. Mills refused and vacated the Nottaway Trail property, leaving her furniture and clothing behind. Mills complained that Respondents should have been more concerned about the results of the test since the house was listed for sale with Respondent Copeland’s brokerage.

XII.

Documents and information obtained during the Commission investigation reflect that Salesperson, Respondent Karla Martin was the listing agent for the subject Nottaway Trail property and that Salesperson, Respondent Joanne Roper was the leasing agent regarding the lease to Mills. At all relevant times to the Complaint, both Martin and Roper were agents licensed under Respondent Copeland as their responsible broker for Century 21 River Cities Realty.

XIII.

In a request for information by the Commission, Respondent Copeland was specifically requested to submit copies of the required Working with Real Estate Broker Form(s) (WWREB) applicable to the transaction. Respondent Copeland thereafter submitted a copy of only the WWREB signed on November 3, 2017 by the representative of the Martinez estate upon listing of the subject property for sale. That form, signed by listing agent Karla Martin, reflected that Martin and Respondent's firm's services were being provided as agents only for the Seller/Landlord. Respondent Copeland admitted that no WWREB was presented by Salesperson Joanne Roper for signature by Mills with respect to the lease of the property. There is no evidence that the status of Mills' representation in the transaction was ever disclosed or explained to Mills.

XIV.

However, the lease executed with Mills reflects that Century 21 River Cities Realty purported to represent both the lessor and lessee Mills as dual agents by mutual agreement. The lease, signed by Salesperson, Respondent Karla Martin for Century 21, reflected the representation that all parties had "signed and understand the Dual Agency Confirmation Form provided to them by the Listing Firm." In notice to Respondent Copeland regarding the Commission's receipt of Mills' sworn complaint, Copeland was instructed to submit all documents associated with the Nottaway Trail transaction. No documentation or other evidence was submitted to support the representation that the parties to the lease had agreed to or understood the reported dual agency representation.

XV.

Commission Rule 4.1 provides that “[c]onsumers shall be fully informed of the agency relationships in real estate transactions...” Rule 4.2 C defines “Client” as “...the person to whom the agent owes a fiduciary duty. It can be a seller, buyer, landlord, tenant or both.” Rule 4.2 E defines “Customer” as “that person not represented in a real estate transaction. It may be the buyer, seller, landlord or tenant.” Rule 4.2 G defines and describes the different “fiduciary duties” owed by real estate licensees to their client principals. With respect to complainant Addie Mills, the various documents and evidence obtained during the Commission investigation reflect contradictory evidence regarding disclosure of agency representation to the parties to the lease transaction. The only evidence of acknowledged disclosure of agency obtained in the investigation reflects that Respondent Copeland’s brokerage purported to act as agent only for the Seller/Landlord. After execution of the subject lease, which reflected a purported dual agency representation, there is no evidence that the Seller/Landlord, Estate of Martinez, was ever advised of any change in the agency representation from single to dual agency, as was reflected on the lease executed between the parties. Respondent Copeland’s agents, Respondents Martin and Roper, failed to fully and properly disclose and inform the parties to the subject real property lease as to the agency relationship that existed at one time or another, in violation of Commission rules.

XVI.

The above and foregoing described acts and omissions of the Respondents constitute violations of the Mississippi Real Estate Brokers License Act of 1954, as amended, §§73-35-1, *et seq.*, Miss. Code Ann., and the Rules and Regulations of the Commission, and, more specifically, §73-35-21(1)(a), (n) and Commission Rules 3.1A, 4.1 and 4.3B, C, and D which provide, in relevant parts:

§73-35-21 Grounds for refusing to issue or suspending or revoking license; hearing

(1) The commission may, upon its own motion and shall upon the verified complaint in writing of any person, hold a hearing for the refusal of license or for the suspension or revocation of a license previously issued, or for such other action as the commission deems appropriate. The commission shall have the full power to refuse a license for cause or to revoke or suspend a license where it has been obtained by false or fraudulent representation, or where the licensee in performing or attempting to perform any of the acts mentioned herein, is deemed to be guilty of:

(a) Making any substantial misrepresentation in connection with a real estate transaction;

(n) Any act or conduct, whether of the same or a different character than hereinabove specified, which constitutes or demonstrates...incompetency or ...improper dealing...

Rule 3.1A It shall be the duty of the responsible broker to instruct the licensees licensed under that broker in the fundamentals of real estate practice, ethics of the profession and the Mississippi Real Estate License Law and to exercise supervision of their real estate activities for which a license is required.

Rule 4.1 Consumers shall be fully informed of the agency relationships in real estate transactions...

Rule 4.3 Disclosure Requirements

- B. In a single agency, a broker is required to disclose, in writing, to the party for whom the broker is not an agent, that the broker is an agent of another party in the transaction. The written disclosure shall be made at the time of the first substantive meeting with the party for whom the broker is not an agent. This shall be on an MREC Agency Disclosure Form.

- C. Brokers operating in the capacity of disclosed dual agents must obtain the informed written consent of all parties prior to or at the time of formalization of the dual agency. Informed written consent to disclosed dual agency shall be deemed to have been timely obtained if all of the following occur:
 - (1) The seller, at the time an agreement for representation is entered into between the broker and seller, gives written consent to dual agency by signing the Consent to Dual Agency portion of [the required] MREC Form...

 - (2) The buyer, at the time an agreement for representation is entered into between the broker and buyer, gives written consent to dual agency by signing the Consent to Dual Agency portion of [the required] MREC Form...

 - (3) The broker must confirm that the buyer(s) understands and consents to the consensual dual agency relationship prior to signing of an offer to purchase. The buyer shall give his/her consent by signing the MREC Dual Agency Confirmation Form which shall be attached to the offer to purchase. The Broker must confirm that the seller(s) also understands and consents to the consensual dual agency relationship prior to presenting the offer to purchase. The seller shall give his/her consent by signing the MREC Dual Agency Confirmation Form attached to the buyer's offer. The form shall remain attached to the offer to purchase regardless of the outcome of the offer to purchase.

- D. In the event the agency relationship changes between the parties to a real estate transaction, new disclosure forms will be acknowledged by all parties involved.

DISCIPLINARY ORDER

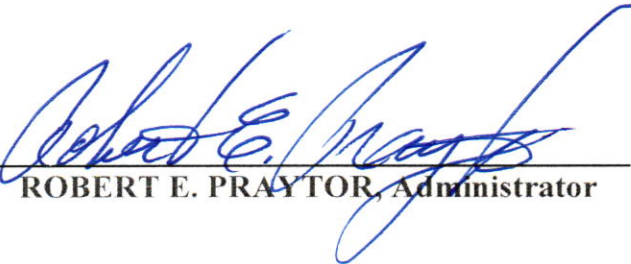
THEREFORE, by agreement, understanding and consent, the Commission **ORDERS** discipline as follows:

As to each signing Respondent individually, the Commission orders that her license incur a 1 (one) month full suspension period and eleven (11) months of probation. The one month of full suspension will begin March 01, 2019 and will be immediately followed by the 11 months of probation that will be contingent upon both future compliance by each Respondent with all Mississippi Real Estate Statutes and Commission Rules and also contingent upon each Respondent completing eight (8) hours of Mandatory Continuing Education (4 hours of Agency, 2 hours of Contract law and 2 hours of License Law) during that 1 month of full suspension. Said education is to be completed in a classroom environment, rather than through on-line education. Further, these classes will be courses approved by this Commission, be in addition to any regular hours of continuing education that may be required of her for license renewal and will not be the same classes from the same provider as those used by these Respondents in their individual last renewal period. Evidence of completion of these classes is to be provided to this Commission

SO FOUND AND ORDERED this the 12th day of FEBRUARY, 2019.

MISSISSIPPI REAL ESTATE COMMISSION



By: 
ROBERT E. PRAYTOR, Administrator

Agreed: 
Charlotte A. Copeland, Respondent

Date: 2/8/19

Agreed: 
Karla Martin, Respondent

Date: 2-8-2019

Agreed: 
Joanne Roper, Respondent

Date: 2-7-2019